S/S 5706
Mr. Bruce

CONFIDENTIAL SECURITY INFORMATION
DEPARTMENT OF STATE

Memorandum of Conversation

DATE: June 4, 1952

SUBJECT: Luxembourg air transport agreement

DEPARTMENT OF STATE A/CDC/MR
REVIEWED BY CEC DATE 7-1-81
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PARTICIPANTS: M. Le Gallais, of Luxembourg

The Under Secretary
AV - Mr. Deak
WE - Mr. McClelland

COPIES TO: U
S/S
EUR - Mr. Perkins
AV - Mr. Deak
WE - Mr. Byington
RA - Mr. Swihart
Amembassy, Paris (for Regional A.A.)
Amlegation, Luxembourg

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I told the Minister that the Secretary had asked me to express our position on Luxembourg's air agreement request; and regretted to say that I did not have good news for him in this respect. After deliberate and mature consideration - and I assessed that the Secretary had gone into the matter personally - we had concluded that we were unable to enter into such an agreement. I said that I would not go into the details, unless the Minister desired, since Mr. Bodson had discussed the subject at length with the Secretary. It was our conclusion, however, that under present circumstances it was neither in Luxembourg's interest nor in our own to enter into this undertaking.

M. Le Gallais said that he was very disappointed to hear this and that he would report it to his government and see what steps they might wish to take. The Minister went on to say that he feared a disagreeable situation since public opinion in Luxembourg had taken hold of the question and there had already been adverse press comment, not simply in the Socialist organs, but in M. Dupong and M. Bech's paper (The Luxembourger Wort, paper of the Christian Social Party) such as the clipping he had in his hand. M. Le Gallais then read in French several excerpts from the article, which was headed "An Intolerable Discrimination", to illustrate the tone of reaction. He quoted such passages as one affirming that "in this affair the Grand Duchy has been treated in approximately the same fashion as Russia and her Satellites," and - "We would like to know why Luxembourg merits less favorable treatment in this respect than Iceland, Lebanon or Honduras."

Referring to reports that we would probably sign an air agreement with Germany, the Minister said that Luxembourg felt very badly about this. Luxembourg believed that it

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that it had every right to be treated as "a friendly country", and not to be discriminated against in this way. For them this was essentially a moral issue.

I replied that our failure to conclude an air agreement with Luxembourg, while we had one with Iceland, for example, was not discrimination in the true sense of the word. We have an agreement with Iceland because it is a great, indeed an indispensable international base. Luxembourg has no comparable strategic significance. It does not follow, however, that we are taking a stand against Luxembourg. On the contrary, there is a great deal of admiration and affection in the United States for Luxembourg. Moreover, Luxembourg is not the only country with which we have no air agreement.

In this connection Mr. Deak mentioned that, actually speaking, we had no air agreement with the Netherlands, although KLM did have a foreign carrier permit to fly into the United States.

M. Le Gallais asked why we didn't grant Luxembourg such a permit; why did we wish to go on discriminating against his country, "just to please Pan American and its supporters in the United States."

Mr. Deak replied that neither Pan American nor any other American carrier had had anything to do with the question of an air agreement with Luxembourg; but the Minister contradicted him and declared that Luxembourg knew precisely that Pan American had opposed it.

In conclusion, I emphasized to the Minister that the Luxembourg request had been considered very carefully, not just by the State Department alone, but by other agencies of the Government; and taking into account the various economic and strategic factors we simply did not consider such an agreement at present feasible. The only thing the Minister could do, therefore, was report our position to his Government.

M. Le Gallais said that he would do so, and added that he was leaving shortly for Luxembourg.

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